



Reports Second Quarter 2022 Financial Results

Lynnwood, WA / Accesswire / July 21, 2022 / U & I Financial Corp. (OTCQX: UNIF), the holding company for UniBank, today reported record quarterly earnings of \$2.6 million or \$0.48 per share in the second quarter, as compared to \$2.2 million or \$0.41 per share for the same quarter of 2021, increasing by \$394 thousand or \$0.06 per share, primarily from generating higher net interest income.

As of June 30, 2022, total assets reached \$522.9 million, increasing by \$105.8 million or 25.4% from the year earlier period of \$417.1 million. Net loans ended at \$421.7 million, increasing by \$147.2 million or 53.6% from the year earlier period of \$274.5 million. Finally, total deposits grew by \$79.8 million or 22.9% to \$427.5 million from the year earlier period of \$347.8 million.

“We are pleased to announce that we have surpassed the \$500 million milestone,” said Peter Park, President and CEO. He added that, “we have generated high quality loans while diversifying out of our traditional Commercial Real Estate concentration by producing a significant volume of Commercial & Industrial and Residential loans. Due to the high inflationary environment and the risk of recession, it is uncertain whether we will continue to grow at this pace in the near term. However, in accordance with our new vision, we will strive to be America’s premier business bank, providing customized financing solutions to customers across the United States, primarily using government guaranteed loan programs.”

2022 Second Quarter Financial Highlights

Total assets grew 25.4% to \$522.9 million as compared to \$417.1 million a year ago.

Net loans increased 53.6% to \$421.7 million as compared to \$274.5 million a year ago.

Total deposits grew 22.9% to \$427.5 million as compared to \$347.8 million a year ago.

Net income quarter-to-date grew 17.6% to \$2.6 million as compared to \$2.2 million a year ago.

Net income year-to-date grew 21.9% to \$4.7 million as compared to \$3.9 million a year ago.

Net interest margin for the year was 4.73% as compared to 4.32% a year ago.

Gain on sale of SBA/USDA loans for the year was \$1.2 million as compared to \$1.7 million a year ago.

Return on average equity for the year was 14.17% as compared to 12.86% a year ago.

Return on average assets for the year was 2.10% as compared to 1.98% a year ago.

The allowance for loan losses to loans was 1.07% as compared to 1.64% a year ago.

Nonperforming assets to total assets was 0.05% as compared to 0.15% a year ago.

Efficiency ratio (noninterest expense divided by revenue) for the year was 50.87% as compared to 54.03% a year ago.

About U & I Financial Corp.

UniBank, the wholly-owned subsidiary of U & I Financial Corp. (OTCQX: UNIF), is one of the highest performing banks in Washington state in terms of return on assets. Founded in 2006 and based in Lynnwood, Washington, the Bank serves small to medium-sized businesses, professionals, and individuals across the United States with a particular emphasis on government guaranteed loan programs. Customers can access their accounts in any of the 4 branches – Lynnwood, Bellevue, Federal Way and Tacoma – online, or through the Bank’s ATM network.

For more information visit www.unibankusa.com or call (425) 275-9700.

Forward-Looking Statement Safe Harbor: This news release contains comments or information that constitutes forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that are based on current expectations that involve a number of risks and uncertainties. Forward-looking statements describe U & I Financial Corp.’s projections, estimates, plans and expectations of future results and can be identified by words such as “believe,” “intend,” “estimate,” “likely,” “anticipate,” “expect,” “looking forward,” and other similar expressions. They are not guarantees of future performance. Actual results may differ materially from the results expressed in these forward-looking statements, which because of their forward-looking nature, are difficult to predict. Investors should not place undue reliance on any forward-looking statement, and should consider factors that might cause differences including but not limited to the degree of competition by traditional and nontraditional competitors, declines in real estate markets, an increase in unemployment or sustained high levels of unemployment; changes in interest rates; adverse changes in local, national and international economies; changes in the Federal Reserve’s actions that affect monetary and fiscal policies; changes in legislative or regulatory actions or reform, including without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act; demand for products and services; changes to the quality of the loan portfolio and our ability to succeed in our problem-asset resolution efforts; the ongoing uncertainties from COVID-19; the impact of technological advances; changes in tax laws; and other risk factors. U & I Financial Corp. undertakes no obligation to publicly update or clarify any forward-looking statement to reflect the impact of events or circumstances that may arise after the date of this release.

STATEMENT OF INCOME (Unaudited)

	Jun-22	Mar-22	Jun-21	Jun-22	Jun-21
<i>(Dollars in thousands except EPS)</i>	QTD	QTD	QTD	YTD	YTD
Interest Income	\$5,601	\$4,878	\$4,334	\$10,479	\$8,270
Interest Expense	257	167	182	424	396
Net Interest Income	5,344	4,711	4,152	10,055	7,874
Provision for Loan Losses	-	-	-	-	-
Gain on Sale of SBA/USDA Loans	737	420	933	1,157	1,661
Loan Servicing Fees, Net of Amortization	80	109	198	189	344
Other Non-interest Income	174	171	218	345	475
Non-interest Income	991	700	1,349	1,691	2,480
Salaries & Benefits	2,018	1,921	1,925	3,939	3,950
Occupancy Expense	181	174	167	355	343
Other Expense	884	797	647	1,681	1,301
Non-interest Expense	3,083	2,892	2,739	5,975	5,594
Net Income before Income Taxes	3,252	2,519	2,762	5,771	4,760
Income Taxes	617	449	521	1,066	901
Net Income/(Loss)	\$2,635	\$2,070	\$2,241	\$4,705	\$3,859
Total Outstanding Shares <i>(in thousands)</i>	5,505	5,527	5,579	5,505	5,579
Basic Earnings per Share	\$0.48	\$0.37	\$0.41	\$0.85	\$0.70

Statement of Condition (Unaudited)

	Jun-22	Mar-22	Jun-21	Variance	Variance
<i>(Dollars in thousands)</i>	Qtr End	Qtr End	Qtr End	Prior Qtr	Prior Year
Cash and Due from Banks	\$18,620	\$41,072	\$41,671	(\$22,452)	(\$23,051)
Investments	51,927	53,349	57,603	(1,422)	(5,676)
Loans Held for Sale	4,703	6,813	20,294	(2,110)	(15,591)
Gross Loans	426,316	356,890	279,058	69,426	147,258
Allowance for Loan Losses	(4,580)	(4,580)	(4,568)	-	(12)
Net Loans	421,736	352,310	274,490	69,426	147,246
Fixed Assets	6,897	7,043	5,800	(146)	1,097
Other Assets	19,028	18,478	17,233	550	1,795
Total Assets	\$522,911	\$479,065	\$417,091	\$43,846	\$105,820
Checking	\$114,365	\$107,618	\$88,562	\$6,747	\$25,803
NOW	13,794	19,343	9,441	(5,549)	4,353
Money Market	130,024	180,620	123,436	(50,596)	6,588
Savings	17,852	16,835	12,915	1,017	4,937
Certificates of Deposit	151,513	75,007	113,438	76,506	38,075
Total Deposits	427,548	399,423	347,792	28,125	79,756
Borrowed Funds	25,000	10,000	5,000	15,000	20,000
Other Liabilities	3,124	2,972	1,548	152	1,576
Total Liabilities	455,672	412,395	354,340	43,277	101,332
Shareholders' Equity	67,239	66,670	62,751	569	4,488
Total Liabilities & Equity	\$522,911	\$479,065	\$417,091	\$43,846	\$105,820

Financial Ratios

	Jun-22	Mar-22	Jun-21	Jun-22	Jun-21
<i>(Dollars in thousands except BVS)</i>	QTD	QTD	QTD	YTD	YTD
Performance Ratios					
Return on Average Assets	2.25%	1.94%	2.29%	2.10%	1.98%
Return on Average Equity	15.84%	12.50%	14.65%	14.17%	12.86%
Net Interest Margin	4.79%	4.66%	4.55%	4.73%	4.32%
Efficiency Ratio	48.67%	53.45%	49.79%	50.87%	54.03%
Capital					
Tier 1 Leverage Ratio	14.49%	15.40%	15.55%		
Common Equity Tier 1 Ratio	16.25%	18.91%	20.83%		
Tier 1 Risk-Based Capital Ratio	16.25%	18.91%	20.83%		
Total Risk-Based Capital Ratio	17.33%	20.17%	22.08%		
Book Value per Share	\$12.21	\$12.06	\$11.25		
Asset Quality					
Net Loan Charge-Offs (Recoveries)	\$0	(\$5)	\$0		
Allowance for Loan Losses to Loans	1.07%	1.28%	1.64%		
Nonperforming Assets to Total Assets	0.05%	0.06%	0.15%		

U & I Financial Corp.
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